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THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Labor Board in Peace Time

AN EDITORIAL

Imported Experts Are Not Enough

By Edward Rohrbough

China On Road To Unity

By John Y. King

Coastal Steamers Needed

By John Ahlers

Revision Of Life Insurance Policies Must Follow Inflation

By P. K. Whang

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Index for October 20, 1945

Editorial Paragraphs

Our Policy Stands 3
In Retrospect ..... *By Roy Essoyan* 3
Peace-Time Version Of W.L.B. Needed 4

Special Articles

China Covers Long Stretch on Road To Unity ..... *By John Y. King* 5
Goebbels' Shadow Falls On Shanghai 6
Life Insurance: Inflation Creates Need For Revisions ..... *By P. K. Whang* 7
Imported Experts Are Not Enough ..... *By Edward Rohrbough* 8
Coastal Steamers Wanted ..... *By John Ahlers* 9

Departments

People 8
New Of the Week 10
Events 11
New Books of Interest 12

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THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Our Policy Stands

In resuming publication of the China Weekly Review after nearly four years' suspension, we propose to aim at the same high standards of journalism and to follow the same basic principles of truth and accuracy as those established in 1917 by its founders, Thomas F. F. Millard and J. B. Powell.

The Review has always resisted attempts from those interested in influencing its editorial columns and, to the best of its ability, reported the news honestly and fairly. We intend that it shall continue to do so.

On December 8, 1941, the Japanese sealed the offices of the Review and a few days later arrested Mr. Powell. After several months of general mistreatment and starvation rations, he developed beri-beri and eventually gangrene in his feet.

Repatriated to the United States in August of 1942, Mr. Powell was taken to the Columbia University Medical Center in New York where he remained until May, 1945, when he finally was able to leave his bed and begin learning to walk again.

He plans to return to Shanghai and we hope that it may be soon, though of necessity his return must await the resumption of normal transportation facilities.

We feel that if we did not endeavor to maintain the same policy followed by Mr. Powell in the Review, we would be repudiating his principles—the principles which have caused him endless physical suffering and which have left him permanently disabled.

When we returned to our offices, we found the usual filth left by the Japanese in most of the places they occupied. Aside from these piles of dirt and rubbish heaped about the floors, and one chair, which had been relegated to the wash room, nothing was left. Even the light bulbs, wires and switches had been stripped from the walls.

Our "tenants," members of the Japanese Embassy's Information Section, were very thorough in their looting. They confiscated our library and file copies— some 4500 volumes of "dangerous" and "subversive" material. However, one unknown Jap looter did us a great favor. Ordered to remove the files, he paused at the bottom of the stairs long enough to conclude a CRB$60,000 deal with the lift coolies, leaving them about half of our files, which we were able to redeem—slightly moldy after three years' storage in a damp closet, but none the less valuable to us—for US$10.

Despite the rather barren office, containing only a few bits of borrowed furniture and half our files, we plan to make out and, needless to say, are extremely happy to be back in Shanghai and doing business with our old and loyal staff at the same place.

In Retrospect

Two months ago the first news of peace came to Shanghai, unheralded and unexpected. The war was over. That day so long awaited had finally arrived. At first it was difficult to realize fully the implications of peace. Wartime living had become a habit, a bad habit. And now a new habit had to be formed.

The past two months have been a period of readjustment. After the first dazed reaction, Shanghai gradually began picking up the threads where they trailed off in 1941. And now, as we look back on Shanghai's three and a half years of occupation, with the threads gradually gathering in our hands, we find ourselves at a loss for words fitting to the occasion. The war is over. Peace is here. What more is there to say?

Of the millions of stories this city has to tell, of deaths and diseases, of undernourished births—of the injustice and corruption of bureaucracy and undisciplined authority—what, is there worth telling now?

These tales were alive in the days when today was in the future, a far-off and unbelievable future. Cynicism was all there was to hold on to—outside of the spark of hope hinged on today—and cynicism made the people of this city, in camps and out of them, bitter and apathetic. Personalities were changed almost beyond repair. The people of Shanghai lost some of their naivety and learned the wisdom of expediency, the wisdom of want and of weakness.

But the time has come to turn that wisdom from something bitter and apathetic to something progressive and constructive. The war is ended. The world is at peace. The echoes of the war still reverberate and the heritage of misery still lives on, but the essential fact remains. The war is ended.

Some may ask what has Shanghai gone through, compared to London or Hiroshima? In comparison, nothing. But relativity can reduce the worst tortures of the Inquisition to insignificance. After all, a thousand days have been wasted. And is the stifling of all initiative, the crushing of all spirit, the moral degradation of a whole population under ridiculously empty, imbecile catch-phrases nothing?

Today there is work ahead, not the automaton's drudgery this town has grown accustomed to in the past three years, not the jugglery between fast-inflating C. R. B. and deteriorating goods and commodities, but work as this town knew it once, the kind of work that gives meaning to man's life-span on earth.

The turning point is now. Each day, each hour of the war had seen the world steeped deeper and deeper in horror and confusion. But now the process is reversed. From now on each day must see improvement.

Behind us lies chaos. Ahead us—given the ability to work, the desire to learn, and a democratic freedom of expression—lies sanity.

Peace-Time Version Of War Labor Board Needed For Reconversion

A rash of labor disputes has broken out over the face of the United States since the end of the war, presenting the government with a problem which, if permitted to get out of hand, may seriously disrupt the nation's reconversion program. With the spread of the rash, conviction has been growing among top government officials concerned with wage stabilization that a more positive role of leadership must be adopted by the government. A hands-off policy has been pursued to date, but behind the scenes of current labor disputes, important discussions have been going on.

An answer to at least two basic questions which are bringing gray hairs to our federal labor experts is required:

Firstly—how to determine in what cases and to what extent wage increases would be justified without price increases?

Secondly—what wage situations represent such gross iniquities that they require correction even if price increases are thereby necessary?

During the war period, these questions were answered on a case-by-case basis by the War Labor Board after an exhaustive study of facts through investigation and public hearings. Its rulings established through the years a body of precedents which step by step took on the pattern of a national policy. That policy, however, was based on the "little steel formula" and is no longer applicable to the present situation. New precedents are needed for the post-war era.

It is with this thought in mind that Secretary of Labor Schwellenbach has been exploring the desirability of reviving the war-time procedure as a solution for the widespread wage controversies. His plan is to put on record the rulings in one or more test cases which will then serve as guide posts for other similar disputes.

The stumbling block in this plan is that the War Labor Board is no longer a going concern in the public estimation, being scheduled to go out of existence on or about December 15. WLB Chairman Taylor, who retired from his post on October 15, felt that under the circumstances the agency could no longer effectively assume the task of such continuing national responsibility.

The only alternative would seem to be to set up a new peace-time organization to perform some of the functions formerly fulfilled by the War Labor Board. The primary need is for a fact-finding body to issue not rulings or directives, but recommendations based on investigation and public hearings or both. There would be no compulsion of course on the parties in the dispute to accept these recommendations.

Nevertheless, the publication of such findings could be relied on to rally public opinion and to insure a large measure of voluntary compliance by labor and management. In the last analysis, the rulings of the board during the war were without statutory power and were essentially also recommendations. Only general acceptance by workers and employers gave decisions.

Meanwhile, preparations for a national labor-management conference, scheduled to open in Washington on November 5, are continuing. The advisory sub-committee on agenda and organization has issued its recommendations for selecting delegates to the conference. The recommendations provide for a total of 39 members of whom 18 are to represent labor, 18 management and three the general public.

Employer's representatives will be chosen by the Chamber of Commerce and the National Association of Manufacturers. For labor, 16 of its members will be divided equally between the American Federation of Labor and the Congress of Industrial Organizations. The other two will be drawn from the United Mine Workers and the Railroad Brotherhoods.

The public members will consist of Labor Secretary Schwellenbach, Commerce Secretary Wallace and an eminent private citizen as yet unnamed. None of these three will have voting privileges in the conference.

An agreement on the agenda, however, still appears to be lacking. Some employers are desirous of keeping the doors open to possible consideration of legislative proposals for restricting the area of industrial disputes. Labor, on the other hand, with a healthy fear of proposals like the Ball-Burton-Hill-Hatch Bill, is anxious to limit discussions to collective bargaining procedures under existing laws.

While strikes old and new have continued to keep between 300,000 and 400,000 workers idle throughout the nation, Congress has been marking time on unemployment compensation legislation and on the national job budget bill. However, hearings before the Senate subcommittee on education and labor have continued regarding the proposal to increase the minimum wage under the Fair Labor Standards Act from 40 to 65 cents per hour. Testimony from some textile, tobacco and lumber mill operators took a peculiar turn this week. In the previous week, these operators have denied that their wage scales were substandard or inferior to general levels in their industries. Now a number of them have appeared to oppose the bill on the ground that wage levels in their plants are in some scales so low that a compulsory jump to 65 cents would put them out of business.

Employment developments during the month of September indicated a substantial slowing of the rate of curtailment in employment resulting from termination of war production, according to the Department of Labor. Employer reports to the Bureau of Labor Statistics and the U.S. Employment Service showed an upward movement in some manufacturing industries. As against a net reduction of more than 1,400,000 in munitions employment from August 1 to September 1, a decline of only 600,000 was shown from September 1 to October 1. Most of the August reduction occurred in the two weeks following the surrender of Japan. A large part of the September decline took place in the first two weeks of the month.

China Covers Big Stretch On Long Road Toward Unity

.. By John Y. King

Political negotations in the Far East usually follow the European pattern. Many important negotiations, both internal and international, have been held behind closed doors. This is especially true in China. The details of the Kuomintang-Communist talks on national unity and political democracy, which have been carried on intermittently for more than a year and which have attracted world-wide attention, have always been kept from the general public.

The dramatic development of the KMT-CP relations were finally climaxed soon after the Japanese surrender in a direct meeting between President Chiang Kai-shek and Mr. Mao Tse-tung, leader of the Chinese Communist Party. Because of the ticklish nature of the problems discussed, their conversations were closed guarded and the millions of people deeply concerned with China's China's unity problem were unable to satiate their hunger for news.

Chou En-lai, Mao Tse-tung and U.S. Ambassador Hurley pose beside latter's plane upon their arrival at Chungking.

Now the curtain finally has been raised. On October 12 a joint communique was issued, summarizing the results reached in the first stage of the talks. To the people in China's recovered areas and to those in foreign lands, who long have been cut off from China's realities, this communique has told a lot. However, in order to fully appreciate the results of the talks in Chungking, some discussion of events leading up to the conference is needed.

Political Truce

Unity in China was achieved at the beginning of the Sino-Japanese War, when Japan's all-out invasion forced the Kuomintang and the Communists into a united front. A political truce was agreed upon, and the Red Army was reorganized and incorporated into the National Army. This trend toward national unity continued when the Chinese forces were forced back from the Shanghai-Nanking area, taking up positions around Hankow. Its culmination was the organization of the Political Training Department, which aimed at giving political education to the Chinese Army, and the creation of the People's Political Council, as an interim popular organ during wartime. De facto recognition of the existence of other political parties was made through the exchange of letters between Generalissimo Chiang and the leaders of the various parties, who were invited to join the PPC.

With the fall of Hankow and Canton, the military conflict became a stalemate. It was then that a balance of power between China's two major parties seemed to take place. The Central Government moved further to the west, away from the former populous centers, whereas on the other hand the Communists, with their ever-expanding guerrilla activities, infiltrated deep into the enemy's rear and took control over quite large new areas. Civil strife between the Kuomintang and the Communist forces ensued. This was intensified by the political intrigue of the Japanese. National unity in China has not existed, in fact, since the New Fourth Army Incident in January, 1941.

The sharpening of the Kuomintang-Communist controversy brought with it one of the most painful experiences in China's recent political life. Many left-wing intellectuals, even a number of moderate liberals, fled the country, simply for fear of civil war. Some leaders of the minor parties and groups went into self-exile, too, in Hongkong and the South Seas, seeking to get more freedom of speech and publication.

This condition lasted throughout 1941-2-3. Then, with the American offensive in the Pacific, the situation changed. To crush Japan and shorten the war, a co-ordinated all-out offensive, both from the Asiatic mainland and from the Pacific, was felt necessary. But a general offensive from the Asiatic mainland would only be feasible when all the anti-Japanese forces in China were really united. This once again brought China's unity problem to the fore.

Ticklish Problem

The year 1944 saw China's unity problem as one of the most ticklish and delicate jobs for world statesmen. One after another, the late President Roosevelt sent his personal envoys, Currie, Wilkie and vice-President Wallace, to explore the possibility of bringing China's two major parties together. They all failed. When General Joseph W. Stilwell, then commanding general of the China-Burma-India Theater and concurrently chief-of-staff to Generalissimo Chiang, pressed too hard, he met a definite setback and reluctantly returned to the States.

In spite of all these failures, the pressure for unity was still strong. At this point the Japanese offensives in Honan and Hunan-Kwangsi in the summer and autumn of 1944 really put China on the spot. At the most critical moment, when the spearhead of the Japanese drive pointed toward China's wartime capital, many people thought that only a last minute political compromise between China's anti-Japanese forces could save her from collapse.

A dramatic turn was observed when Yenan sent the Border Government Chairman, Mr. Lin Chu-nan, a member of the PPC but who had not appeared at the early sessions, to Chungking to take up negotiations with the Kuomintang authorities. Lin took part in the PPC sessions for the first time. Negotiations were taken up by Lin and the Kuomintang representatives in all frankness. Then the Japanese drive toward Keichow halted at Tushan and withdraw southward, whether for purely strategic considerations or for political motives too, it was difficult to say. But unfortunately the Kuomintang-Communist talks in Chungking hit a snag and broke down. The only consolation for the people in China and abroad was the fact that the details of the negotiations were for the first time openly reported before the PPC and made known to the public through the press.

Throughout the winter of 1944 and the spring of 1945 public opinion, both in China and abroad, pressed for early realization of national unity. President Chiang's new year's message, promising the conclusion of one party rule and the practising of constitutionalism as soon as China's victory in the war was assured, aroused much interest. Reiterating his decision to enforce constitutionalism, President Chiang in early March of this year announced that the National Assembly would be convened on November 12 to draft the constitution.

New Controversy

But here a point of controversy developed. The delegates for the National Assembly were chosen in 1936, a year before the outbreak of the Sino-Japanese war. Leaders of the other parties, including the Communists and the China Democratic League, criticized the pre-war election as being held under Kuomintang control. Moreover, they pointed out, the last 10 years was the most trying period in China's history. Momentous changes have taken place and new leadership has grown up from China's younger generation who have been sharing no smaller responsibility than the elders. It would be a great injustice, they said, to leave the sacred right of drafting China's constitution solely in the hands of the pre-war-elected delegates. However, the Kuomintang took a strictly legalistic view of the matter and refused to make any concession.

Two things should be mentioned here. Since early last spring the Communists began demanding a coalition government. They argued that any unilateral move on the part of the Kuomintang to convene the National Assembly without the delegates being reelected, would thus undermine the position of other parties, would be detrimental to China's unity, furthermore, might incite civil war. As there would not be enough time for a reelection of the delegates before the end of the year, they proposed the formation of a political council, or political consultation council. This council would consist of representatives of the three major parties—the KMT, the CP, and the Democratic League, and it would draft a joint program for uniting China's efforts toward winning the war and for building a peaceful, democratic and prosperous China after victory. This was the communist line on the eve of victory.

At the same time, it should be noted, the China Democratic League, which has grown much more popular lately, support-

ed the idea of establishing a political council and of forming a coalition government during the interim period before a popularly elected national assembly would set to work on drafting a constitution.

The Kuomintang authorities would not accept the term "coalition government," although they did not refuse to discuss the idea of a political council. However, as to the status and authority of the council, opinions varied. Chou En-lai flew to Chungking last spring to consult with Dr. Wang Shih-chieh and Mr. Shao Li-tse. However, no definite agreement was reached and Chou returned to Yenan.

Maneuvers Continue

While the deadlock continued, the war rapidly moved toward its climax. Both the Kuomintang and the Communist Party continued maneuvering, attempting to gain a favorable position before the showdown. The Kuomintang called the Sixth National Congress, trying to rally all party strength. The Communists convened the Seventh National Congress in Yenan and preparations for the calling of a "Liberated Areas People's Representatives Conference" was accelerated and given much publicity. Political and propaganda warfare between the two parties were carried on vigorously and created much tension. Also, the Communist members of the PPC refused to take part in its session for the first time. Meanwhile, armed clashes actually took place north of Hsian in July and threatened the nation with large-scale civil war. However, fighting stopped after both sides had charged each other with stepping over the "blockade line."

Fortunately, through all these hazards mediation efforts never ceased. On the eve of the PPC session in June, six PPC members volunteered to make a trip to Yenan. They were: Mr. Chu Fu-cheng, a senior statesman of Chekiang; Mr. Tso Sheng-sen of the China Youth Party; Mr. Chang Pai-chun of the Third Party; Messrs. Huang Yen-Pei and Leng Chu of the Vocational Education Group and Mr. Fu Shih-nien, a historian and an independent attached to the Accademia Senica. They brought back a set of terms for political compromise which they kept secret, passing them on only to Central Government authorities. These PPC members, who took positions mostly in line with the Democratic League, stood up steadfastly at the PPS session for unity and democracy.

Members of PPC prepare to leave Chungking airfield for visit to Yenan. From left to right: Front row; Tso Sheng-sen and Huang Yen-pei. Second row; Lang Chu and Chang Pai-chun.

Then, when Japan suddenly announced her willingness to surrender, it was as if an atomic bomb had exploded on China's political horizon. A great vacuum was left in the Japanese-held areas and both Kuomintang and Communist forces tried to rush in with all speed. Hopes for unity faded and civil war seemed certain. This explains why for a few weeks after V-J Day people in China remained sober.

At this point another drama took place upon China's political stage. President Chiang sent three letters to Mao Tse-tung, each urging the latter to come to Chungking for discussions on national affairs. Mao finally accepted and flew to Chungking with Chou En-lai and Wang Jo-fei. After almost 20 years, the two strong men of China met in a friendly atmosphere and both expressed the hope of returning to the harmonious relations of 1924.

Peace Necessary

To understand this dramatic turn of events, several important factors must be taken into consideration. The signing of the Sino-Soviet Treaty, together with American efforts to effect unity in China, proved that the two large powers were

The six PPC members arrive at the Yenan airfield. Chu Fu-cheng, center, talks with Lin Chu-han, chairman of the Shen-Kan-Ning Boarder Government, left, as the party leaves the airport.

really interested in the peace of the Far East. Civil war in China will only benefit the Japanese; it will lead to a general conflagration in which the Soviet Union and America will almost inevitably be involved. At the same time, after eight years of war, China is near exhaustion. China's victory was won more by moral strength than by military force. And only peace and unity will give China time to build herself up as a great power, both in name and fact.

Peace in China can only be achieved by political compromise. And real unity in China will only be realized through democratic means. This is only common sense and is understood by all of the people now. The unity talks which were climaxed by personal meetings between President Chiang and Mr. Mao have definitely followed such a line.

There is no need to conceal the fact that the progress of the KMT-CP negotiations, even with the direct participation of President Chiang and Mr. Mao, have been very slow and that the joint communique released lately showed only a very limited agreement on some principles. But first of all, we must realize that the impending danger of civil war has been averted, and this gives the greatest satisfaction to the people of China and of the world in general.

Unity talks in China will continue. We have travelled a long way, but we still have a long may to go.

Goebbels' Shade Falls On S'hai

This week a new story came from the Nazi colony in Shanghai. It was the explanation given by the local Nazis for the Soviet motion pictures of the German murder-factory of *Auschwitz*. It was really just a delousing station, similar to those of the last war, in which the soldiers laid their clothes aside and passed nude through a chamber in which they were bathed with disinfectant.

What about the piles of bodies in the pictures? The local Nazis explain lightly, anyone knows the Reds can get piles of bodies whenever they want them.

And so the local Nazis, still thinking in propaganda terms of 1941, defend themselves by accusing the Soviets. They hope to try to mitigate their own predicament, however slightly, by sowing disunity among the United Nations. It is a hope they have never abandoned and one which is alive among them today.

The stupidity of this particular story is obvious, for there are American-made pictures showing the equally unbelievable, equally inhuman atrocities of Dachau, Belsen, Buchenwald, and other camps that were observed by Americans. There are other, more insiduous efforts which indicate that Nazis are still closely following the line established by Dr. Goebbels upon Hitler's attack and invasion of Russia.

In June, the editor of "XXth CENTURY," local Nazi propaganda magazine, published his farewell issue. His lead story bewailed the fall of Germany, but predicted that she would rise again. Already, he wrote, the opportunity for that rise is shaping itself.

Here is the opportunity he offers:

"During those very hours in which the leading German anti-Bolsheviks fought their death struggle against the Red Army in the flaming ruins of Berlin, the nations assembled in San Francisco outvoted the Soviet Union 31-4 on an important issue. This is but a proof that every political constellation is subject to change."

And with that sentence, the editor of "XXth CENTURY" laid down the line the Shanghai Nazis are following today. Nor is it surprising that a Nazi should fail to see the underlying strength of the democratic processes of San Francisco.

The local Nazis are following their editor's promise. They are hunting for that opportunity to rise again already. They interpreted the *Time Magazine* story of the Soviet occupation of Vienna as being unfavorable to the USSR, so they had the story copied and distributed widely.

So it is today that Shanghai Nazis, interviewed by Americans, speak of the "Communist menace" and eye their interviewers hopefully.

Since Rudolf Hess parachuted into Scotland, the anti-Soviet slant of Nazi propaganda has been futile. It is now so far out of date as to seem ridiculous, but there is one serious aspect.

The 3000 Germans of Shanghai, more than 85 percent Nazi, are no more ready to participate in any democratic form of government than they were in 1941. Wherever they are, they will be a menace to democratic procedure unless they are policed with unceasing thoroughness. They are few, but they are not harmless. Hitler's early followers were far fewer.

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Life Insurance: Inflation Creates Need For Revisions

By P. K. WHANG

Life Insurance is possibly the only business which our western friends have brought to this country that has not made much headway with our people. We have wholeheartedly accepted the idea of protecting our property with fire and other types of insurance. But when it comes to the protection of our lives, we prefer to follow our old customs. We simply cannot see any necessity for making such a provision, no matter how good the reasons advanced. To the average Chinese, it is quite inauspicious to talk about things concerning death, while we carefully avoid the use of the word "death" even in our conversations and writings. Moreover, we are realistic people, and cannot think seriously of making provision for our future, when the future is so uncertain.

"—Is woe! German can claim he was never Nazi—What can Hon. Nipponese claim he never was?"

Why should we worry about providing for our old age, when we can conscientiously leave it to the care of our children? We feed and clothe our children when they are young, so that they in turn should feed and clothe us when we are old. This is a sort of mutual obligation kept and discharged from generation to generation. Should any one of our children fail to do his duty, he is liable to incur public wrath and run the risk of being ostracized from the community. With this safeguard behind us, we cannot but feel that our old age is well protected, insurance or no insurace.

Besides, to us who put too much stress upon the returns of our investments, life insurance can never be a paying business proposition. In normal times, we consider any return of less than 10 per cent a poor investment. In depositing our money with any bank, we invariably give our consideration more to its rate of interest rather than to its standing. Therefore when we figure out the returns from life insurance, we immediately lose interest in it as an investment proposition. If we could choose to die within the first few years after taking out a policy, the percentage of return would be more attractive. However, we feel that our loss increases in direct proportion to our age.

Future Unreliable

Some 15 years ago, a friend of mine solicited my patronage for his life insurance business. Although I showed no interest in his proposition, he was very persistent and finally said: "P.K., I know you don't believe in insurance, but give me a small 'face' this time and take a policy of $5000 just for fun. Life is so uncertain that it is a nice thing to provide your own funeral expenses anyway."

Up to that time, I had never given any thought to such unpleasant things as death and funeral expenses. In the days of 1930 five thousand dollars was quite a good sum. Rice could be obtained at no more than $10.00 per picul, and a good coffin would not cost more than $300.00. Therefore, this sum was big enough to cover a rich man's funeral. The idea fascinated me so much that, without further ado, I gave my friend a small "face" and took out a $5000 policy. However, I had not the courage to mention this before my friends, lest they should poke fun at me, inasmuch as I was then only in my late twenties. Anyway, I had the consolation that should anything happen to me, I would leave no burden on my children, for I had provided my own funeral expenses.

But the future is indeed unreliable. Who could foresee such momentous changes in two decades? First the rape of Manchuria, then the invasion of Central China, and finally the attack on Pearl Harbor. While the war dragged on year after year, the purchasing power of our money became less and less. Every year when I was called upon to pay the premium, I found to my dismay that the value of my policy was not worth half as much as that of the previous year. Nothing, perhaps, is more tragic than to see our investments daily dwindling, while we can do nothing to salvage them.

Then, as if the depression of currency were not going fast enough, the insurance company, in May, 1942 sent me a circular letter notifying me that the value of my policy was converted into CRB$2500 at the rate of CNC$2.00 equivalent to CRB$1.00. Thus by a stroke of the pen and without my approval, the nominal value of my policy was halved.

On paper I lost one-half of my investment, to say nothing of the difference between the purchasing power of the money in 1930 and that in 1942. What could this CRB$2500 procure for me in the year 1942? A coffin alone would cost much more than this amount.

Faced By Dilemma

Now that peace has returned to us, what will become of my insurance—an investment of some fifteen years? If the rate of conversion between CNC dollars and CRB dollars should apply to life insurance as well, then what will my policy amount to in terms of the present currency? Twelve dollars and fifty cents, no more and no less—a sum even too small to pay postage on a letter to outports. In a short span of 15 years, a good sum of $5000, because of two conversions, has been reduced to such a negligible amount.

Even if the insurance company restores my policy to its original figure of $5000, what good will $5000 do me? You cannot buy a wooden box with this amount, let alone a coffin.

I presume that the insurance companies will do something to relieve the predicament of their policy holders. The value of investments made by the insurance companies must have increased greatly during the past several years. It is not too much to expect that the insurance companies will equitably valuate their investments and divide this valuation in proportion among the policy holders, so that the loss to the latter will be very much lessened. This is not an unreasonable expectation, for the investments of an insurance company are made but from the premiums paid by its policy holders.

Fortunately, we Chinese can always rely upon our children to provide for our old age and the expenses of our funerals. However, no matter what happens to my life insurance, I will keep it carefully and hand it down to my children as evidence that their poor father did try to do his best to provide for his own funeral expenses, but failed to achieve his aim because of circumstances beyond his control.

Imported Experts Not Enough; Mutual Understanding Needed

It will take more than the mere presence of western technical experts to achieve very much in the modernization of China's industry and agriculture. It will take skillful liaison on the part of everyone concerned with any plan that involves importation of experts, for the experts will have unusual understanding only of their specialties. They will not understand much of China's traditions, or the differences between themselves and their Chinese students. It is too much to expect them to be students of human nature. Most of all, they will not understand the Chinese conception of "face."

More than a year ago we interviewed several American drilling technicians who were returning from a year's service in the oil fields of Kansu Province. They had been brought to China under the auspices of the U.S. State Department at the expense of the Chinese National Government and they had expected to remain in China for two years. Instead, they were glad to get out in one, and they felt they had wasted the 12 months and the money China had spent to bring them from the U.S.

Yet they were men who should have been ideally adapted to the job. They were really experts, formerly employed by the largest American oil companies, and they were used to working beyond the boundaries of their own country.

Class-Consciousness

"We thought we'd be doing something for the war effort," a driller named Bill Fields told us, "but we found we weren't doing a damn thing for the war effort. We just gave a little more oil to a few big shots around Kansu Province."

Fields was thoroughly disillusioned and he was bitter so that the things he said were not always fair, but there were very solid reasons behind his bitterness.

He and the others had been accompanied by several Chinese drilling engineers who had learned theories of drilling in colleges and universities in China and who expected to learn practical applications of the theories. In the beginning, relations between the two groups were excellent.

"Then we lost face," said Fields. "There was part of a short pipeline to be dug, and we didn't bother to call coolies to do it. We did it ourselves."

That was the beginning of a class-consciousness on the part of the Chinese engineers that only intensified during the following 12 months, according to Fields. Because the Americans had done manual labor themselves instead of ordering coolies to do it, Fields felt the Chinese thought they must be American coolies, or at least men of a low social and educational stratum. Their conception seemed to be intensified by the fact that the drillers, like American drillers all over the world, dressed usually in their work clothes and that they never hesitated to step into jobs like tool-dressing or changing bits.

The Chinese, on the other hand, came to work dressed as if they were spending the day in their offices, and they never touched any part of the jobs with their hands. They were educated men and if they had done so, they would have lost face before the workers and before one another. But the price of the face they kept was the loss of respect of the Americans who soon decided they were not worth teaching.

New Difficulties

Materially, the lack of understanding was rather costly, if Fields' estimate is accurate. He said the Americans determined that they must impress the Chinese by achievement, so they went to work by their methods and drilled an oil well in one-sixth of the time the Chinese usually take. The engineers who were being trained applauded the feat, but they refused to adopt the methods the Americans had used because, Fields felt, they would lose face by openly taking advice from foreigners of such obviously low caste.

The story of failure in the Kansu oil fields is not a particularly new one. Sometimes American officers training Chinese at Ramgahr and on the Salween found that Chinese officers would not follow the teachings because they feared losing face before the men under their command. American army automobile mechanics discovered that Chinese mechanics had a caste system all their own which allowed them to get their hands dirty working with the motor parts, but which did not allow them to help push a jeep out of a ditch. A newspaper editor was embarrassed to be seen carrying a parcel in his hands.

It is ridiculous to contemplate changing either Chinese or American customs in any short time, and the desirability of any such effort is doubtful. But it is equally ridiculous to import foreign technicans and to allow such tradition to stand in the way of exploiting their knowledge.

Perhaps the most feasible solution to the general problem is the use of liaison men who understand the customs both of foreigners and Chinese and who are thoroughly conversant with both languages. The expense of training and paying such liaison men would be an economy compared with the waste of things like the Kansu experiment and the subsequent bad publicity that must have inevitably come when the Americans reached home.

PEOPLE

J. FRANKLIN RAY, JR., former Assistant Lend-Lease Administrator, has been named director of the Far East Office of UNRRA. In 1943, Mr. Ray headed the Federal Economic Administration's mission to China, and acted as liaison officer between the Chinese and Indian Governments and the FEA.

COLONEL EVANS F. CARLSON, former leader of the Marine Raiders, expects to return to inactive service early in November, and may enter politics "to work for realization of the things we fought for in this war." Mentioned as possible candidate for U. S. senator in next year's elections, Colonel Carlson will be on the Democratic ticket in any public office he may seek. An alternative to politics, he says, will be in the field of education, ón a lecture platform or in college.

ROBERT T. BELLAIRE, 30-year-old correspondent for Collier's, died from injuries received in a jeep accident outside Tokyo last month. One-time Tokyo bureau manager, Bellaire was interned by the Japanese after Pearl Harbor.

J. T. REED and C. S. RANSON, representatives of the National City Bank of New York, left for Shanghai by ship early this month. L. W. CHAMBERLAIN is on his way to Tokyo, and R. M. HENRY to Tientsin.

LEROY M. PHARIS, former vice-president of the Shanghai Power Company, is expected to leave for Shanghai shortly.

ROY G. FAIRFIELD, Chase Bank's Tientsin manager, is reported on his way back to his post. W. J. LAMNECK and E. A. G. PETERSON, also of the Chase Bank, will be leaving soon. Personnel for Hongkong are awaiting transportation facilities.

MRS. GARNETT BUTLER GARDINER, former wife of Dr. WILLIAM GARDINER of Shanghai, was married in Washington recently to Mr. CONSTANTINE DE STACKELBERG. Following the ceremony, the couple left for New York where they were entertained at a reception by Mr. and Mrs. WILLIAM P. HUNT.

SUN KUO-CHING, seven-week-old great grandson of DR. SUN YAT-SEN, died of asphyxiation in a boarding and nursery home in New York on September 21. SUN TSE-PING, the infant's father who is an attache at the Chinese embassy in Ottawa, said his son had been moved from the New York Hospital because of the crowded conditions.

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Urgently Wanted: A Fleet Of Coasters For China

By JOHN AHLERS

One of the most urgent problems for the economic revival of China is the question of marine transportation. The industry and trade of the great cities of Central China depend upon transportation. Railroads are relied upon for transporting only a small part of this trade, while water transportation will carry the bulk of it.

This week it was announced that, beginning in November, shipments between the United States and China will be resumed. In London equal efforts are being made to resume shipping to the Far East. Regular sailings between Shanghai and American and British ports will contribute a great deal toward the relief of local economic difficulties.

However, of more urgency is the resumption of shipping between various Chinese ports. Shanghai industry, in particular, depends upon North China coal, which is normally imported from Hopei or Shantung by sea. The shortage of coal is at present the most serious of all supply problems of Shanghai. The resumption of local industrial activity upon any worthwhile scale cannot be thought of unless there is sufficient coal available to allow a substantial increase of electricity allotments to local concerns. And later on when foodstuffs from the more distant regions up the Yangtze are needed, a substantial volume of interport shipping will be required.

China need worry little about the restoration of maritime transportation between her ports and foreign countries. The foreign shipping companies will tackle this problem, with American and British firms vying with each other for the new post-war China trade. It is in the more urgent field of coastal and river transportation that the situation is different. Before the war certain British, Japanese and Chinese shipping enterprises specialized in this field. Now these enterprises are dissolved. Their pre-war tonnage is mostly at the bottom of the seas. Also the entire set of conditions within which they operated has changed; China is now likely to insist upon her right of cabotage.

The right of cabotage is jealously guarded by all modern countries. It consists, in the main, in the reservation by every country of shipments of goods and passengers between its own ports to vessels sailing under its own flag. This right Britain reserved for centuries under her Navigation Laws until she had built up the largest merchant fleet of the 19th century.

China is one of the few countries which failed to exercise the right of cabotage—but, emerging from the war victorious and in full possession of her sovereignty, she is unlikely to desist from the exercise of this right any longer.

Obviously, foreign concerns cannot be expected to expend a large amount of capital to fit out new fleets of coasters for China and send them here in the face of the certainty that China will use her undoubted right of cabotage and refuse them admittance to Chinese interport shipping. On the other hand, the mere negative exercise of the right of cabotage by China would be disastrous as China at present does not have a mercantile marine of her own fit to step into the place previously held by foreign firms. At the time of the Lukuchiao Incident, the Chinese mercantile marine, including all vessels over 500 tons gross weight, totalled some 550,000 tons only. During the past eight years more than 90 percent of this has been sunk, broken up or otherwise destroyed, leaving a miserable 50,000 odd tons.

This is inadequate to meet the minimum requirements of interport shipping and shipbuilding facilities in China are in such a chaotic shape and materials are so scarce that any substantial volume of Chinese shipbuilding cannot be expected in the near future.

The Chinese government may buy abroad, on cash or credit, a fleet of suitable coasters to be turned over to some special corporation of the national enterprise type. The establishment and operation of such an enterprise, of course, would be a large and risky venture in modern state economy. With sufficient experience this experiment might well succeed, but it also might turn out to be extremely costly and to be technically disappointing as well.

The other choice is for the Chinese Government to grant temporary permission allowing foreign companies to engage in coastal trade. Such a transitional arrangement need not prejudice the right of Chinese shipping firms since a quota volume might be granted to foreign firms, based on the shipping demand.

Both of these solutions can be widely varied and they also can be incorporated into a scheme providing for a national shipping enterprise and additional coastal shipping under foreign flags. A rapid decision is necessary because the more speedily coastal shipping is restored, the more quickly the economic rehabilitation of China will advance.

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NEWS OF THE WEEK

Americans Land in China; Communist Troops Deploy

Despite the end of the war two months ago, the face of China was still furrowed with minor incidents and the possibility of future clashes last week. The last scheduled landing of American Marines was effected at Tsingtao by units of the Sixth Marine Division, following landings at Tientsin and Peiping the week before. An indication of another job remaining for the Seventh Fleet was given by Admiral Kinkaid: "In the coming weeks, forces of the Chinese army will be redistributed to effect the security of China."

Complications in China's internal political problem were foreseen in connection with the American landing at Tientsin, by Dr. Lo Lung-chi, of the Executive Committee of the Democratic League. "Americans have always helped," Dr. Lo explained, "and we welcome their aid in disarming the Japanese, but it is possible that if Central Government troops follow the Americans into the big cities now occupied by the Communists there may be trouble."

Meanwhile, the reported unification of Outer Mongolia and Inner Mongolia by cavalry units under the command of Marshal Kharloin Choilbalsan, Premier of the Outer Mongolian People's Republic presented a fait accompli to Generalissimo Chiang Kai-shek who, in his first press conference since the end of the war, declared that a plebiscite under the supervision of the Chinese Government is taking place in Outer Mongolia to determine whether that country will remain independent of the Chinese Republic.

An added furrow on the map was indicated in a secret interview with the Communist China's New Fourth Army Shanghai liaison officer. He claimed to have 400,000 uniformed, armed soldiers deployed around Shanghai, which, if the discussions in Chungking fail, "may have to fight, and possibly may have to take the offensive." He was hopeful, however, that a full solution of China's tense internal problem could be achieved.

Soong Discusses Local Problems

Arriving in Shanghai with no advance publicity, Prime Minister T. V. Soong has been busy during the past week in the city attending a series of conferences with military, administrative, and economic leaders. The chief subject of these conferences, it is said, is that of relief and rehabilitation in the Shanghai area.

Among the officials and functionaries who have conferred with the Prime Minister are; Finance Minister O. K. Yui, General Tai Li, Mayor Chien Tachun, Chen Hsin of the Finance Ministry, and various Allied commanders.

One of the chief topics of discussion at the early conferences was the reopening and operation of industrial concerns and the reopening of shipping and communications. It was expected that Soong would also have talks with foreign interests regarding the problems of resumption of financial operations in Shanghai.

It was thought that the newly formed Shanghai Economic Committee of the Shanghai City Government would present to Soong a comprehensive report of the findings of their investigations of the past month.

Arch Traitor Shot After Suicide Try

"It is not the soldiers' fault—they know not what they do."

With these words, unoriginal but matching his theatrical temperament, former Premier and Foreign Minister of France Pierre Laval was shot to death by a firing squad at noon Monday, after climaxing the most uproarious, farcical trial in French judicial history with a last-minute attempt to commit suicide in his prison cell.

What was once the man who signed the Soviet-French Treaty against Germany and negotiated with Germany in the same breath now lies under a pile of dirt in Thiais cemetery, next to a grave marked "here lies an unknown collaborator."

A volley from 11 rifles was not sufficient to kill him. A French officer had to administer the coup de grace with a bullet in the brain. A few minutes earlier Laval had attempted to cheat justice by diving under the blankets at the approach of the guards, and swallowing a phial of cyanide. A stomach pump restored him sufficiently to stand before the firing squad.

Officially not connected with the actual surrender of France, Laval figured in the diplomatic scenes in 1942, and from then on remained in power until the Allies swept into France. Escaping to Spain from his hide-out in Germany, he was finally expelled after more than a month of delay. He testified in Petain's trial, but was excluded from the court-room on the first day of his own trial. Allowed to re-enter on the second day, he left the court-room himself on the third day, complaining against partiality. He was convicted of treason in his absence, and immediately began a campaign claiming "new, startling" evidence that he had actually been General de Gaulle's "ally." But General de Gaulle knew different.

Jap Labor Party Wants Abdication

In a demonstration before General Douglas MarArthur's headquarters in Tokyo on Oct. 15, representatives of the Democratic Mass Labor Party demanded the abdication of Emperor Hirohito. In a declaration that embodied 5 demands, the delegates asked that; 1—Hirohito be replaced by his 11-year old son, Prince Akihito; 2—the peerage be abolished and the lower house of the Diet resign; 3—all Japanese high officials and military commanders resign and that their pensions be suspended; 4—"war truths" be published and reasons given for the present military budget; 5—food be distributed which is now being withheld by the military.

Arch of Triumph

A spokesman for General MacArthur revealed that the general has already asked the new Japanese cabinet for direct action and a report on the speed with which reforms may be instituted.

A day before the demonstration, MacArthur said in a radio broadcast that the "evolution" has already begun by which the "dignity and Freedom of the common man" might be restored in Japan.

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EVENTS

A group of former Flying Tigers (American Volunteer Group), based at the Long Beach Municipal Airport near Los Angeles, have organized the National Skyway Freight Corporation, which will specialize in the hauling of cargo by air. However, they will also carry passengers on charter trips.

The airline will offer a "coast-to-coast 24-hour service" or service "to any other point in the nation or world." They will begin operation with 14 stainless steel twin-engine "Conestoga" cargo planes which they bought from the Surplus Property Board.

Beginning with the fall term this year, Columbia University in New York introduced several new courses dealing with China and Japan. Thirty courses in Chinese and Japanese language, history, art, literature and thought are now available.

The Foreign Funds Control Office of the U.S. Treasury Department is preparing a blacklist of persons and business which collaborated with the Japanese during the occupation of the Philippines.

Pending completion of the investigation, the Treasury Department issued a "watch list." This was done to prevent individuals who may be included on the blacklist from anticipating restrictions and taking evasive action beforehand. Import licenses have been refused individuals named on the watch list.

The United States Government is paying transportation costs for Americans being repatriated from the Philippines to the United States because the State Department was unable—"for political reasons"—to warn them to leave before the Japanese struck.

Americans being repatriated from other parts of Asia or from Europe pay their own transportation costs or sign promissory notes.

This policy follows the same line set forth in the State Department White Paper, explaining the events immediately proceeding the war, which says that the State Department fully expected such a move (surprise attack) by Japan but was unable to warn the American public for fear of precipitating it.

Legislation setting up a quota system permitting Asiatic Indians to become U.S. citizens has been passed by the House of Representatives and sent to the Senate. The bill will allow 100 East Indians to migrate to the U.S. annually. The 4000 already in the U.S. may become citizens if they can qualify under existing citizenship laws.

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NEW BOOKS OF INTEREST

Snow On Russia

THE PATTERN OF SOVIET POWER—By Edgar Snow, New York. Random House, U.S.$2.75. Reviewed by Richard E. Lauterbach in the New Republic.

If for no other reason, The Pattern of Soviet Power, is a rewarding book for the cogency of Edgar Snow's views on the Far East. He presents evidence which indicates that Russia will be in on the "kill" against Japan. He tells us what the price will be for Soviet participation. He says bluntly that the problem of coordinating Soviet and American policy in China is the most important one facing us in the realm of foreign relations. He sees China with her two governments and two ways of life as "the only place on the globe where America's vital interests were crowding in directly on Soviet frontiers." At a moment in history when Stalin and Soong are talking things over in Moscow, the author's ability to trace the devious paths of United States and Soviet policies in China is especially valuable. Snow, who "can see nothing but trouble ahead if we do not candidly face the known facts about Russia and China," does his best to present them plainly. He records the Kremlin's mounting impatience with Chungking for what the Soviets considered Chiang's failure to prosecute fully the war against Japan; he probes at the hub of our possible conflict with Russia and contrasts the aims and methodology of the Chinese Communists and Chiang's Nationalists; and he makes it quite clear to wishful-thinking Americans that feudal China—whether under Yenan or Chungking direction—"has never known the luxury of capitalist democracy as liberals know it, and probably never will."

In attempting to analyze our course of action in relation to China, Snow reports a conversation he had with Franklin D. Roosevelt last winter in which the late President declared that the plan to patch up the differences between Chungking and Yenan had fallen down because "the Kuomintang has raised some perfectly absurd objections to the amendments of the Yenan government." Roosevelt also said he was convinced that the Communists were actually trying to bring about an "agrarian-reform" program and not communism. Quite flatly the President stated that he had been determined "to work with both governments in China.....and I intend to go on doing so until we can get them together."

Since that interview our policy toward the two Chinas has shifted and we seem to be committed to doing business solely with Chiang. This shift suggests several knotty problems not only to Snow but undoubtedly to Stalin, Molotov and Company, who are trying in their slow, Oriental way to figure out the pattern of American power.

The pattern of Soviet power as Snow saw it evolve in Eastern Europe is woven of Russia's desires for frontier security with a few strong threads of "capitalist-encirclement" fears. The author believes that if the last two wars had cost us more than 30 million military and civilian casualties we too would attempt to immunize our frontiers against potential invaders. The means the Russians have been utilizing to achieve this immunization should be fairly clear by now. Perhaps there is a tendency by a few headline-seeking reporters to see Bolsheviks under too many beds. Snow seems to give some weight to the remark of a Russian who, in commenting on Eastern Europe, said "...no one can say that the Comintern or the Soviet government is bolshevizing these countries. It is true that the Red Army's victories have made many changes possible. But I say it is the people of those countries themselves who are getting rid of fascism and turning them to the only form of government left to them."

Predicting the eventual showdown on control of the Dardanelles, he says wrily: "Stalin can wait because in this he cannot lose." The same may be true for Russia's claims in the Far East.

Americans are pondering how far we should (or can) go diplomatically in permitting the pattern of Soviet power to prevail in Europe. Snow, aside from pointing out that the pattern is partly indigenous and not solely made on a Moscow — gold loom, has no easy answer. But he does offer a strong hint: "If our diplomacy with Russia has been ineffective (and Snow thinks it has) it is because we have not stated our political aims with clarity and conciseness in a manner which the Russians would consider as a serious alternative to their methods of establishing stability and security..." The same may hold for the countries of Europe. Allied policy (which only *seems* to be a lack of policy) in parts of liberated Europe offers no decent alternative for genuine anti-fascists in the so-called Russian sphere—even if the Russians were willing to let the policy fight it out for popular favor with the Soviet formula.

Other sections of Snow's book on Russia and her people and her customs are not startlingly new or different. That's fine. The only correspondents who are going to find something sensationally "new" will be those who go with a particular warp and woof. Snow's book is lifted above the average newspaper or magazine reporting level because of his ability to clarify where others confuse, to interpret and predict where others orate and prate, and because he still knows which people are on our side even if part of the war is over.

Chennault's Rise

OLD LEATHERFACE—By Keith Kyling, Indianapolis. Bobbs-Merrill Co., US$2.50. Reviewed by Francis Scott in the New York Times.

When Claire Lee Chennault first applied to the Army Air Corps for flight training he was rejected with the notation "does not possess the necessary qualifications to be a successful aviator." Fortunately for the United States, he was used to rebuffs. From boyhood he had overcome one obstacle after another by hard work and blazing determination.

Perhaps some of Mr. Kyling's claims for his hero in this highly readable biography will stir up controversy in the aviation world. For instance, he contends that the Russians got the idea of using paratroopers from Chennault; that newsreel films of the aerobatics of a three-plane team trained and led by Chennault at the Cleveland National Air Races of 1934 inspired the Luftwaffe, then in its infancy, and that he originated the two-plane fighter element later used by most major air forces.

Fitzpatrick in The St. Louis Post-Dispatch.
The Choices That Lie Ahead

But the record speaks for itself: General Chennault emerges as an air tactician of the first rank—a commander able to inspire his own men to rare heights of heroism and accomplishment, as well as a rough and ready leader foredoomed by nature to clash with the "brass."

This detailed study of his life gives unvarnished accounts of his troubles with Gen. "Vinegar Joe" Stilwell and Lieut. Gen. Clayton Bissell, although it does not carry down to the recent episode that led to his retirement from the Army Air forces for the second time. It is interesting reading, both for the light it throws on the air war in the Far East, and the picture it gives of a most unusual and forceful personality.

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